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ABSTRACT

REAL Enterprises (Rural Entrepreneurship through Action Learning) brings classes in "school-based enterprise" to rural high schools in North and South Carolina, Georgia, and Washington State. Jonathan Sher, the founder of REAL Enterprises, believes that children learn better by doing, and that successful rural economic development requires an investment in local entrepreneurs. A REAL Enterprises class creates a new business in the community and prepares students to become job creators in the future. Businesses created over the past 10 years by REAL Enterprises classes include a child care center, a feeder pig operation, a graphic design business, an ice cream shop, and a shoe repair shop. Students develop a foundation in understanding how to start a business, which may lead to more students staying in a rural community and creating their own businesses. Similar entrepreneurship projects are being implemented in Alabama to help avoid school consolidation. Strategies linking rural education and economic development are also needed in the Great Plains states. The shoe repair business was an outgrowth of the school-based enterprise class at South Carolina's Battery Creek High School. Eight students worked on the business plan, conducted market research, consulted community business leaders, learned about the business, and raised money to begin it. At the end of the school year, three students stayed on as owners. (KS)

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STUDENTS WHO CREATE JOBS

Jonathan Sher's bright idea links schools with rural economic development

Story and Photographs by Robert Gibson

Dancing couples swirl across a wall, stepping lightly above the bold logo of Footprints, one of Beaufort, South Carolina's newest businesses.

"Most shoe repair places are dull and dingy," says KeAndra Johnson. "We decided we wanted our store to be bright and attractive, so we've decorated it differently."

Co-owners Johnson, Kalisha Young and Tabatha Moore show a lot of savvy for a pair of college freshmen and a high school senior. Not only do they own and operate the shop, they wrote the business plan, did the market research and negotiated with the owner of a dry cleaner to repair shoes previously sent out of the area. They are also sharing space with the dry cleaner in a new shopping center.

These young women didn't just happen upon their good business sense—they learned it in high school.

Footprints is the most recent product of a venture called REAL Enterprises, which has brought classes in "school-based enterprise" to rural high schools in North and South Carolina, Georgia and Washington. It's the brainchild of Jonathan Sher, a noted rural education expert from North Carolina. REAL Enterprises (REAL stands for Rural Entrepreneurship through Action Learning) marries the belief that children learn better by doing with the idea that successful rural economic development requires an investment in local entrepreneurs.

All across rural America, parents and educators are fighting to save rural schools from closing because of declining enrollments or a shortage of funds. But Sher, for one, feels that "there is much too much effort on preservation [alone]."

"You may end up saving the school, but nothing at the school has changed," he says. "That's not good enough anymore."

Sher believes rural schools must do a better job of educating children, even in places like the upper Midwest and the Great Plains, where quality education is a tradition.

"[Those schools] tend to be good at basic literacy," he says. "I argue that schools need to provide more than the basics. They need to prepare children to be productive citizens."

A REAL Enterprises class can make a modest contribution to a community when its students create a new business. But its greater value may lie in the new ways it challenges students to think and act. In a REAL Enterprises class, students must solve "real world" problems, without a textbook, without predetermined right and wrong answers. Students must think creatively and work in teams, practicing the same kind of cooperation they'll need in the workplace. It's a departure from traditional schooling. "Nowadays in school, if you work together, it's called cheating," says Sher.

"If you're learning how to think and act entrepreneurially, that'll hold you in good stead no matter what you go on to do," he adds. "But that's not what school [traditionally] is about. It's been about creating applicants—college applicants, job applicants, welfare applicants. But it hasn't been about creating job creators."

Over the past 10 years, REAL Enterprises classes have been offered at 25 high schools in the Southeast. About 15 working businesses, including a child care center, a feeder pig operation, a graphic design business, an ice cream shop and a deli, were started by the students.

Sher and the other leaders of REAL Enterprises, including Paul DeLargy of Georgia and Vicky Propst of South Carolina, are uncomfortable talking about student businesses started in the 1980s because several have fared no better than other fledgling small businesses (80 percent fail

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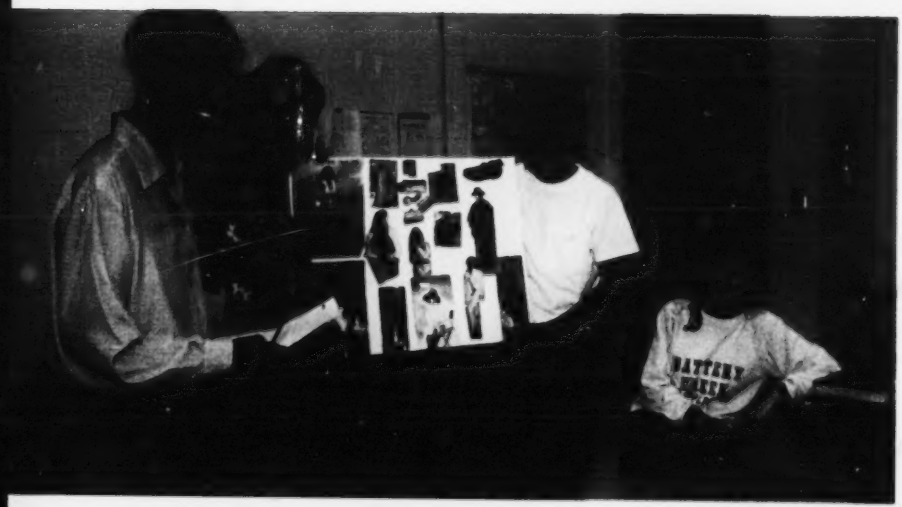

before three years are up.) They say they are still perfecting the REAL Enterprises model; DeLargy says the Footprints shoe repair shop comes as close as any to the ideal REAL Enterprises venture.

A recent Ford Foundation grant is helping REAL Enterprises invest more heavily in teacher training. In North Carolina, there are no REAL Enterprises classes this year, but teachers at six schools are preparing

Top: KeAndra Johnson (left) and Kalisha Young, co-owners of a Beaufort, S.C., business that began as a school project. Left: Students defend a business proposal in a class at Beaufort's Battery Creek High.

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to teach the course next year.

"This program is investing in local communities through the high schools," says Phil Black, executive director of South Carolina REAL. "It gives kids an alternative to going to the big city for jobs, and gives them the ability to make changes in the community—changes that have an impact in the long term. It's not something you microwave-in overnight."

Marlene Cusaac encounters skepticism in the small agricultural town of Bishopville, S.C., where her REAL Enterprises class is opening a fabric shop. "People don't believe they'll do it, because they're just kids," she says. "But my students are putting together a viable business that will help support the community. This isn't like opening a lemonade stand or starting a paper route."

Black and his small staff, which includes both educators and business development experts like himself, are currently overseeing school-based enterprise classes in nine rural high schools. The goal of the classes, which contain between eight and 15 students and are taught by a teacher who has been trained by REAL Enterprises to teach this non-traditional course, is to start a business in the local community.

But that's not the only measure of success. "It creates a foundation in understanding how to start a business that might pay off five or 10 years down the road," says Jerry Plemmons, energy advisor at French Broad Electric Membership Corporation in Marshall, N.C., and a member of the board of directors of North Carolina REAL Enterprises. "You end up with young people who are more willing to stay in a rural community and create their own businesses. They've seen their opportunities as being in a larger metropolitan area; now they can see opportunities for themselves at home."

Jonathan Sher's bright idea is not the only attempt to link rural schools with the community beyond the schools' walls. Entrepreneurship is being introduced into rural schools staving off consolidation in Alabama. Jack Shelton, director of the Program for Rural Services and Research at the University of Alabama, says rural schools not only provide a good education, but are the source of the next generation of business leaders.

"Consolidation is taking the economic heart, the entrepreneurial base, out of rural communities," he says. "As a result, these communities will at best turn into suburbs; most will become ghost towns."

This school year, a few rural high schools in Alabama are introducing entrepreneurial projects similar to the REAL Enterprises classes, including starting a farm supply store and a greenhouse for organic vegetable farming.

In the small town of Rothsay in

Teacher Marlene Cusaac (right) says that if her students weren't creating their own business, there would be few jobs to keep them in the area.

northwestern Minnesota, students from the local school district took over operation of the town's only hardware and lumber store when it closed in 1988. Initially, it gave the high school business class a real enterprise to study instead of the standard simulated business. Now the thriving store serves as a working classroom for students from both Rothsay and the nearby town of Barnesville, while it fills an important niche in the local economy.

On the Great Plains, survival of small towns and rural schools are closely linked. Six years ago, the 28 students in the Canova (S.D.) High School went on national television offering 30 days free labor to any business that would help keep the school open by bringing families into the area. Despite a lot of interest, the plan did not succeed and the high school closed.

New strategies to help improve rural schools in Illinois and North Dakota facing declining populations include opening schools as community resource centers and involving students in business incubators.

North Dakota's Rural School Project, which encourages school districts to form cooperative clusters and share resources, is particularly ambitious. Rural educator and project advisor Paul Nachtigal says it is both "redesigning how education takes place" and "a strategy for reforming rural communities."

But the economic development aspects of the project are still far in the future in the eyes of Tom Decker, director of School District Finance and Organization in the North Dakota Department of Public Instruction.

"We have that potential, and I'm sure in time we can do those things, but right now we're in a crisis situation," he says. "We're dealing with survival-level issues, and until we get through them, we're not ready to think about the future-oriented ones."

Sher believes the time for entrepreneurial activities in Great Plains schools was never better. "Today you have possibilities that didn't exist a decade ago," he says. "A REAL Enterprises business out there could not depend on the local market. But there is a whole constellation of economic opportunities for which geography is irrelevant. Anything computer or telephone related, a mail order catalogue house, publishing . . . "

When told of the Philadelphia travel agency that successfully relocated its reservations business to a small town in North Dakota, Sher replied, "You see! But why did it have to be a guy from Philadelphia? Rural students could have done that."

When students in Jackie Parker's school-based enterprise class at South Carolina's Battery Creek High School began winnowing down their choices for a business they might start, the list was headed by a record shop, a teen center, a children's clothing store and a lingerie shop.

"We started by thinking in terms of ourselves, as teenagers," says Moore. "But when we considered the whole population of Beaufort, shoe repair seemed the right choice."

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"We found that there were competitors for the others, but there was a need for shoe repair," says Young.

Throughout the school year, eight students worked on the business plan, conducting market research, consulting community business leaders, learning about the shoe repair business and raising $1,049 from dances and basketball slam dunk and three-point shooting contests.

The class required extra homework, and the students had to overcome skepticism, their own and others'. "At the start, we didn't think we would really start a business, we were just going through the motions, working for a grade at the end," says Moore.

"My Daddy didn't even want to hear about it at first," says Johnson. "He'd say 'Oh yeah, right, please be quiet. How can you start a business? You don't have any money.' "

They suffered setbacks in locating a storefront and a fulltime manager/repairman. But they found a man willing to work for them, made the deal with the dry cleaners and, with a loan secured through REAL Enterprises, purchased used shoe repair equipment. The students hired their former teacher as their bookkeeper, and though REAL Enterprises staff members still advise them, the young women carry out all their own negotiations and make their own decisions.

"Now my Daddy likes to hear everything I have to say about the business," says Johnson. "When I come in, right away he asks, 'How'd your meeting go?' "

As the school year ended and the business became real, it became apparent that just three of the students were willing and able to commit the time and effort necessary to stay on as owners. The three young women will be trained to do some actual shoe repairs, and though they are in school, all three will spend several hours a week at the shop.

"Beaufort needs a good shop, we're going to succeed," says Moore. "It's a personal goal now."

"When we started, I had never even heard of anyone talk about a shoe repair shop," says Johnson. "But it really interests me now. Who knows, I might become famous, we might have Footprints shops all over the world." ●

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